

SENATE BILL

149

DIRECT PRIMARY CARE
An Alternative to
Conventional Health Insurance

March 2015

KEY POINTS

What is Direct Primary Care? Direct Primary Care (DPC) is an innovative alternative to conventional health insurance. DPC practices bypass insurance. Doctors are paid directly by patients or employers rather than through the patients' insurance premiums. They are sometimes referred to as "retainer medicine" or "retainer practices." A DPC health care provider charges a patient a set monthly fee for all primary care services provided in the office, regardless of the number of visits. DPC plans are similar to but not exactly the same as concierge plans (which charge higher fees and target more affluent patients). Because DPC practices are considerably newer than concierge practice—there are considerably fewer DPC than concierge physicians.

How Does It Work? Typically, doctors may provide patients with same-day visits for routine, every day care such as checkups, infections, exams, chronic condition maintenance (i.e., blood tests for diabetes, high cholesterol), etc. Longer time is spent with the patients rather than feeding payment codes into an insurance system. DPC's may provide a satisfying alternative for both patients and doctors.

Insurance? Generally, DPC practices do not accept health insurance. Under the law, every American is required to have medical insurance—but DPC patients can seek less expensive, high deductible policies that cover only hospitalizations, surgeries, emergencies and other specialized care for catastrophic events.

DPC and the ACA. The ACA authorized HHS to permit qualified health plans (QHP) to provide coverage through a qualified "direct primary care medical home" plan provided such coverage meets certain criteria (as developed by the Secretary of HHS) and that the QHP, meeting all other applicable requirements, ensures coordination of such services with the entity offering the QHP.

- ✓ Direct primary care is financed by direct payment, outside of insurance, usually in the form of a monthly fee. In return, patients have ready access to physicians who deliver continuous, comprehensive, and personalized primary care.
- ✓ Direct primary care resolves the growing frustrations with the current health care system, particularly problems with third-party payment, paperwork, and government bureaucracy, experienced both by patients and by their physicians.
- ✓ Preliminary data shows excellent outcomes for patients enrolled in direct primary care and a reduction in health care costs.
- ✓ Policymakers should create a legal and regulatory environment that is less restrictive toward direct primary care.
- ✓ If policymakers will encourage change, innovation, and competition instead of just reacting to the increasingly dysfunctional status quo, the possibilities are endless

Are DPC's New? A DPC was first created in Seattle nearly 20 years ago. It worked well for the practice that created it and has grown cautiously and slowly. Buyers of health care and primary care physicians know little about the DPC model, but awareness is increasing. This relatively young, new concept that has grown from 756 DPC physicians in 2010 to nearly 5,000 nationwide today.

Who is Using DPC's? The DPC model is being quickly adopted by unions, companies of all sizes and individual families. Versions also include pilots with Medicaid and Medicare.

Who are Some of the Large DPC Practices? The following are 5 of the larger companies: 1) White Glove Health; 2) Qliance; 3) Paladina Health; 4) MedLion; and 5) Iora Health.

Why DPC? DPC providers believe that healthcare must provide more value to the patient and the system. Healthcare can and must be higher-performing, more patient-responsive, less invasive and less expensive than it is today. The ultimate goal is health and wellbeing, not simply the treatment of disease.

187 Montana Doctors of optometry provide primary medical and chronic eye care and vision care to 57 Montana communities. We believe this bill will be beneficial to both patients and their primary care providers. **We urge your support of SB 149.**

Sue A. Weingartner
Executive Director and Lobbyist
Montana Optometric Association
sweingartner@rmsmanagement.com
Phone: 406-443-1160
www.mteyes.com

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